

Page Denied

NEW YORK TIMES

Kissinger Sees Oil Crisis Periling Western Society

He Tells Visitors That Failure to Solve Economic Problems Could Break Up Political Fabric of Democracies

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, Sept. 26—Secretary of State Kissinger has told associates and foreign visitors in recent weeks that he is gravely concerned that failure to solve the world's economic problems could lead to a break-up of the political fabric of the West, and possible Communist take-overs in some countries.

This gloomy assessment of the situation, which he attributes largely to the spiraling costs of oil, was a major factor in the decision by President Ford and Mr. Kissinger to make their strong speeches on Monday calling for reduced oil prices and cooperation by producers and consumers to avoid world economic disaster, State Department officials said today.

Although Mr. Kissinger—and Mr. Ford—focused on the economic aspects of the problem, key State Department officials said that Mr. Kissinger was very worried about the long-term political dimensions of the problem, and had told this to many people privately.

One visitor with whom Mr. Kissinger spent many hours recently was Premier Yitzhak Rabin of Israel. In an interview printed yesterday in the Tel Aviv newspaper Maariv, Mr. Rabin said:

"The increasing cost of oil is prompting a significant number of the Americans I met during my visit to consider the price of oil as the main reason for a possible collapse of the democratic regimes in Western Europe, which would make the European countries ripe for Communist domination. American personalities pointed out to me in many talks the serious danger of Communist domination in Italy, and perhaps in other European countries."

While not confirming that Mr. Kissinger had expressed that concern to Mr. Rabin, several officials familiar with Mr. Kissinger's views said that they had heard similar remarks from the Secretary about the long-range implications of the oil-price crisis.

"You have to look upon him in this case as a historian," one official said. "He grew up in Nazi Germany and knows how economic depressions can lead to acceptance of authoritarian regimes, and he fears that this could happen in the West if something is not done to solve the problem."

Mr. Kissinger is expected to repeat this concern at Camp David on Saturday when he and

A related article appears with the financial news on Page 75.

Treasury Secretary William E. Simon meet with Foreign and Finance Ministers from Japan, Britain, West Germany and France to discuss the economic crisis, aides said.

Mr. Rabin's allusion to Italy as especially prone to Communist take-over, was confirmed by officials here as a particular Kissinger concern.

Italy, with a critical balance-of-payments problem, has the largest Communist party in the West.

Last month, the dominant Christian Democratic party rejected an offer by the Communists to join the coalition Government, an offer backed by many Christian Democrats.

Mr. Kissinger was also reported to have expressed concern about Italy's "going Communist" when he met with Congressional leaders last week to discuss the activities of the Central Intelligence Agency.

At that meeting, he reportedly defended the need for covert activity by asserting that, despite criticism of the C.I.A., if Italy went Communist, there would be criticism that the

United States had not done enough to save her.

President Giovanni Leone of Italy arrived in Washington yesterday and continued talks today with Mr. Ford and Mr. Kissinger on energy, economic and security problems.

In a toast yesterday, Mr. Kissinger said that in recent months, "as the result of circumstances outside the control of Italy," the country "faces economic difficulty."

"When Italy's friends, therefore, attempt to work out cooperative arrangements," Mr. Kissinger said, "it is not something that they do for Italy; it is something they do for themselves and for the structure of the modern world."

One official said that in his speech Monday Mr. Kissinger deliberately alluded to the political crisis he sees the West facing when he said:

"The economic history of the postwar period has been one of sustained growth—for developing as well as developed nations. The universal expectation of our peoples, the foundation of our political institutions, and the assumption underlying the evolving structure of peace are all based on the belief that this growth will continue.

"But will it? The increasingly open and cooperative global economic system that we have come to take for granted is now under unprecedented attack. The world is poised on the brink of a return to the unrestrained economic nationalism which accompanied the collapse of economic order in the thirties. And should that occur, all would suffer—poor as well as rich, producer as well as consumer."

One aide said that Mr. Kissinger not only feared for the

political democracies in the west—including the United States—if the economic crisis went unchecked, but for those in the developing world, such as India.

What concerns Mr. Kissinger, aides said, is that other countries do not see the problem. He believes that the oil producers must be shown the need to keep the economic order viable, and the oil consumers must rally to protect themselves and to persuade the producers that only through cooperation can the world survive.

00658

NEW YORK TIMES

Kissinger Said to Rebuke U.S. Ambassador to Chile

By SEYMOUR M. HERSH

Special to The New York Times

WASHINGTON, Sept. 26—Secretary of State Kissinger rebuked David H. Popper, the United States Ambassador to Chile, after Mr. Popper had discussed torture and other human rights issues during a meeting on military aid with Chilean officials, Administration sources said today.

Mr. Kissinger's action has provoked a bitter dispute among officials in the Bureau of Inter-American Affairs at the State Department, some of whom say that his rebuke was a demonstration of the Administration's unwillingness to press fully the human rights issue with the junta now ruling Chile.

Sources close to Mr. Kissinger insist, however, that the Secretary's complaint was based only on his objection to Mr. Popper's efforts to link unrelated issues such as human rights and military aid in high-level diplomatic talks.

Kissinger Anger Reported

In recounting the incident, the sources said that Mr. Kissinger reacted angrily after having learned from a State Department cablegram that Mr. Popper had initiated a discussion of human rights during a meeting on military aid in Santiago last July 22 with Oscar Bonilla, the Chilean Minister of Defense. Also present at the meeting was Secretary of the Army Howard H. Callaway, then visiting Chile.

"Tell Popper to cut out the political science lectures," the sources said Mr. Kissinger scrawled over the cable, a step that led to a formally drafted State Department letter of complaint to Mr. Popper, a career diplomat.

The Ambassador and others in the United States mission in Santiago were "amazed" and angered by the Kissinger rebuke, the sources said, as were some officials in the Bureau of Inter-American Affairs of the State Department.

Mr. Kissinger could not be reached to discuss the issue, but high-level State Department officials subsequently confirmed the gist of his written comment to the Ambassador. The officials, who were familiar with Mr. Kissinger's involvement, explained that the Secretary only was complaining

about Mr. Popper's attempt to link proposals for additional military aid to Chile to the human rights issue.

Question of Behavior

"It was more a question of how Ambassadors are to behave," another official said. "We can't have an Ambassador going into a meeting with the Defense Minister for one issue and discussing something else."

The official sources said that Mr. Kissinger had privately urged Ambassador Popper on at least three occasions in the last year to raise the human rights issue with the appropriate officials in the Chilean Government.

Other Administration sources, however, characterized the State Department's explanation as misleading.

"That's the name of the game," one Administration official said. "You tell these guys that if they want something—like more arms, they've got to behave."

"It's not only perfectly appropriate to raise the issue during meetings about other matters," the official added, "but the legislation requires that you must keep the human rights issue right up in the junta's face, particularly when you're talking about aid matters."

The official was referring to amendments in the 1973 foreign aid bill that called on the Nixon Administration to request that the Chilean Government "protect the human rights of all individuals." The amendment also linked the granting of aid money to Chilean guarantees of safe conduct for refugees and the humane treatment of political prisoners.

The military junta that overthrew President Salvador Allende Gossens in a bloody coup last year has been criticized as making systematic use of torture and imprisonment. In a report made public earlier this month, Amnesty International, a private agency, charged that torture of 6,000 to 10,000 political prisoners was continuing. The London-based organization said it was regularly receiving reports that prisoners were being subjected to beatings, electric shocks and psychological torture.

Junta Reacts to Pressure

In recent weeks, the junta—responding to worldwide pressure—has announced that it was willing to free most of its political prisoners if the Soviet Union and Cuba did the same. No such releases have taken place.

Liberal members of the Senate and House are opposed on humanitarian grounds to the Ford Administration's pending aid request of more than \$80 million for Chile. The Senate Foreign Relations Committee already has set a \$65 million aid limit on the Administration proposal with the House Foreign Affairs Committee yet to act. And a number of amendments are still pending that would sharply reduce the economic aid and eliminate all military aid to the junta.

It was in the face of this threat that a number of Administration officials expressed anger at Mr. Kissinger's directive to Mr. Popper.

"It came as a shock," one official recalled, "because we've been trying to tell everybody that what could sink the aid program in Chile and for all of Latin America are the actions of the junta."

"The aid proposals this year just aren't going to fly if these people don't change their public image on human rights."

"Popper's been doing a pretty good job in telling them privately that this isn't going to work, that it isn't going to sit well with Congress," the source said. "Maybe they didn't like it, but they're not supposed to like everything the American Ambassador tells them."

Fewer Complaints Now

Since receiving the rebuke, sources said, Mr. Popper has quency and intensity of his private complaints to Chilean leaders about human rights.

"There used to be a cable a week on the issue," one official said, "telling us how he was complaining" to [Gen. Augusto Pinochet, the Chilean President]. "I don't see that he's doing it any more," he added.

Other reliable sources said that Mr. Popper had been distressed by the letter of complaint, which was forwarded to him by Jack B. Kubisch, the former Assistant Secretary of State for Inter-American Affairs, who now is Ambassador to Greece.

The sources said Mr. Popper had told members of his staff in Santiago that he had been "gigged" by Mr. Kissinger and had expressed surprise that the complaint was over his human rights efforts. He told his staff, the sources said, that he had expected to be criticized for his public efforts to support the Junta.

In testimony July 23 before the Senate Judiciary subcommittee on refugees, Harry W. Shlaudeman, Deputy Assistant Secretary for Inter-American Affairs, said the Administration was aware of the allegations of torture in Chile but had concluded that such actions did not represent "a systematic or deliberate policy on the part of the Chilean Government."

00659

NEW YORK TIMES

MOSCOW REBUTS
YUGOSLAV REPORT

Says Western Press Plays
Up Exposure of Stalinist
Party by Belgrade

By HEDRICK SMITH

Special to "The New York Times"

MOSCOW, Sept. 26—The Soviet Union said today that the Western press was playing up the exposure of a pro-Soviet Stalinist party in Yugoslavia to foment a dispute between Moscow and Belgrade and to disrupt their friendly relations.

The discovery and trial of a group of 27 pro-Soviet communists operating an illegal party, mainly in Montenegro, and the alleged involvement of a Soviet diplomat have been a sharp setback to Leonid I. Brezhnev's effort to improve relations with President Tito.

Although the Yugoslavs have reportedly brought the matter up privately at the highest levels, today's commentary distributed by the official Soviet press agency Tass for use in the domestic press marked the first time that Moscow had reacted publicly to charges of intervention in Yugoslav internal affairs.

Although directed nominally against the Western press, the commentary also seemed intended as a warning to Yugoslavs to tone down the controversy. Officially, the Yugoslav Government and party have made no charges against Moscow in public though there have been a number of high-level press leaks pointing a finger at the Soviet Union.

Emigrés Are Blamed

So far, well-placed Communist sources report, the Soviet leadership has told the Yugoslavs privately that Soviet intelligence agents were not involved and has sought to blame the whole affair on uncontrollable Yugoslav émigrés.

The Russians have let it be known privately that they regard the affair as part of the political maneuvering for the leadership of Yugoslavia after President Tito's departure from the scene.

"They are preparing for a new era," one Soviet source told a Westerner. "So such things are understandable."

The Tass commentary, while treating the affair as a concoction of the Western press, did not deny charges leaked by Yugoslav sources that the pro-Stalinist group had connections with the Soviet Union.

Reports from Belgrade mentioned links between the Montenegro group and Vlado Dapcevic, a Partisan who fled to the Soviet Union after having served 10 years in jail in Yugoslavia and who now lives in Belgium, and Mileta Perovic, a purged Yugoslav military attaché, who also fled and allegedly took up residence in Kiev.

Reports Called Unfounded

The Tass commentary did not mention these reports. It sought to present the latest incident as unfounded by comparing it to leaks earlier this year, based on a Communist defector's report, that Moscow had contingency plans for military intervention in Yugoslavia in the event of a crisis.

Tass said two Austrian newspapers, Kronen-Zeitung and Die Presse, had written about a "Soviet front" based in Hungary and directed against Yugoslavia and involving reinforcement by Soviet troops rushed from Czechoslovakia, and East Germany.

The press agency's commentator, Vladimir Goncharov, said that the Vienna newspapers were hinting that Moscow was preparing to invade Yugoslavia and that reports of a conspiracy against the Yugoslav Government were intended to play up a so-called "Soviet threat."

It is not the first time that the West has attempted to embroil the Soviet Union and Yugoslavia in disputes, Tass declared. The agency predicted that the attempt would fail.

The appearance of the commentary, with instructions to Soviet editors for prominent display in tomorrow's newspapers, was seen as an indication of Moscow's sensitivity about the charges of intervention and concern about reports from Belgrade that the Yugoslav Government may require the withdrawal of a senior Soviet diplomat.

It was understood that some high-level Soviet officials had opposed the idea of making the matter public in the press but that others had prevailed.

VN

00660

By BERNARD WEINRAUB
Special to The New York Times

New Delhi Split on Ties and U.S. Is Confused

NEW DELHI, Sept. 26—India's relations with the United States have become confused, reflecting a significant conflict in the New Delhi Government. The Americans

are not quite sure what's going to happen next. On the one hand Prime Minister Indira Gandhi has condemned the United States and hinted darkly that the Central Intelligence Agency has been intent on subverting India. On the other hand the Foreign Minister, Swaran Singh, had a substantive 55-minute talk with President Ford, the other day; it was the first time in more than three years that an Indian Cabinet officer had conferred at the White House.

Similarly, the Congress party, which has dominated India since her independence 27 years ago, has denounced Secretary of State Kissinger and the C.I.A. over the agency's involvement in the Chilean military coup, which ousted Dr. Salvador Allende Gossens from the presidency. The party has said that "some foreign powers may think this is a potential place for another experiment as in Chile."

Yet Mr. Kissinger, who is to visit New Delhi next month, said effusively last week that Indian-American relations "have improved dramatically and we expect a rapid and substantial improvement in our very good relations."

Admission of Failure

If all of this was not confusing enough, Indian officials in Washington have failed to respond to the Ford Administration's readiness to assist India in coping with her food emergency. Several weeks ago India made it quietly known that food was needed. Now, with the United States eager to help, the Indians have backed off, partly because Mrs. Gandhi has a strong aversion to American food aid at bargain prices.

Such purchases would be an admission that India's efforts toward self-reliance had failed and would offend the powerful left wing, which seems more intent on maintaining ideology than on feeding the millions of hungry people in a wide belt of northern India.

On one side in the conflict at the highest levels of the Government is a broad group of officials who, bent upon improving ties with the United States, are worried about leaning too far toward the Soviet

Union and who maintain that New Delhi and Washington can forge links based on equality. This word—it is especially popular with the American Embassy too—means the end of the donor-recipient relationship of the nineteen-fifties and sixties, a relationship that brought a flood of Americans and nearly \$10-billion in assistance.

On the other side of the conflict is a powerful anti-American group that is genuinely convinced that the United States seeks to dominate India and that intelligence and military operatives are wandering around the country. One of Mrs. Gandhi's highest science advisers insisted recently that, despite Indian Government denials, the United States Army had secretly supported bacteriological-warfare experiments here involving migrating birds.

The group seeking to spur closer ties, based on mutual benefit, includes Foreign Minister Singh, the staff of the Indian Embassy in Washington and some of Mrs. Gandhi's closest advisers. Those opposing such ties include several key figures in the Congress party and the more militant left-wingers among Mrs. Gandhi's supporters.

While the Foreign Ministry is pressing for improved relations and preparing for Mr. Kissinger's visit, Mrs. Gandhi seems to be siding with the hostile group. Her view was most evident recently when she told thousands of South Indians in Madras: "When the Chilean President was killed I spoke of the outside hand and it was ridiculed. More and more facts are coming out."

"Whenever a country wants to change its existing structure, powerful forces inside and outside exert power and money to thwart that attempt," she added. "Some affluent countries find it difficult to reconcile themselves to the idea that we can raise our head. This was clear at the time of Bangladesh and again at the time of the peaceful nuclear explosion."

The Prime Minister's comments were deeply felt since her audience—mostly rural folk—seemed to have little clue to what she was talking about. It is a measure of the state of relations that most newspapers ignored the anti-American remarks since she had made them so often.

The unavoidable question

then is, Why does Mrs. Gandhi attack the United States if India wants to improve relations? The answer, according to Indians and Americans, is that she distrusts the United States and is far more fearful of it than of the Soviet Union.

Her distrust stems from such factors as United States support of Pakistan during the 1971 war that resulted in the formation of Bangladesh, formerly East Pakistan; lingering resentment over American aid, which Indians view as humiliating; the feeling that the Americans turn hot and cold on India; enduring, deep-seated antipathy to United States capitalism among the British-trained Socialists who are Mrs. Gandhi's contemporaries; perhaps most important, Mrs. Gandhi's apparently genuine conviction that the C.I.A. is indulging in nefarious activities here.

MORE MORE

What she fears remains unclear. She has not said that the intelligence agency wants to overthrow her Government, but she has vaguely indicated that it is a socialism vehicle for businessmen seeking to block socialism and radical change.

Her disquiet was underscored in a leaked cablegram sent by United States Ambassador Daniel P. Moynihan, who said that her "worst suspicions and genuine fears" had been confirmed as a result of revelations of the American involvement in Chile.

A Socialist magazine, Thought, said this week: "India is not Chile; nor is Mrs. Gandhi an Allende. The country is too big and too stable, in spite of its divisions on the surface. And its leader has not yet forgotten the art of retreat from the precipice in a matchless revolutionary style, if you will. We want this kept in mind not only by Mr. Moynihan and Mrs. Gandhi but by those who claim to see another convincing piece of evidence of the United States of America's unprecedented wickedness."

00661

NEW YORK TIMES

SOFTER BILL ON AID
TO TURKEY BACKED

Ford and Congress Leaders
Agree on Move to Reduce
Chances to Halt Funds

By LESLIE H. GELB

Special to The New York Times

WASHINGTON, Sept. 26—The Democratic and Republican leaders of Congress met today with President Ford and Secretary of State Kissinger and agreed to support a weaker version of legislation to suspend military aid to Turkey than the House voted Tuesday.

According to the Senate Majority Leader, Mike Mansfield, and the House Republican leader, John Rhodes, the leaders agreed to back a proposal that aid be suspended unless the President certifies that Turkey "is making good-faith efforts" to reach a settlement on Cyprus.

This wording is considerably softer than that of the amendment voted by the House, 307 to 90, calling for a cutoff in military aid to Turkey until "substantial progress" is achieved toward a military settlement on Cyprus. The amendment was attached, over the protests of the House leadership, to a measure that would continue funds at current levels for Federal departments and programs whose annual appropriations bills have not yet been passed.

The proposal that the Congressional leaders backed today is also weaker than the non-binding resolution on halting aid to Turkey that was proposed

Continued on Page 12, Column 3

SOFTER BILL ON AID
TO TURKEY BACKED

Continued From Page 1, Col. 4

by Senator Thomas F. Eagleton, Democrat of Missouri, and adopted by the Senate last week, 64 to 27.

To continue military aid to Turkey under the weaker legislation discussed today, all the President would have to do is to continue to tell Congress—as the Administration has been doing—that progress is being made in the Cyprus talks.

While legislative leaders would not predict the outcome Administration sources expressed the hope that the leaders could use their control over the legislative process to win adoption of the weaker version.

The pledge of support today by the Congressional leaders

was the principal result of a two-hour-and-15-minute breakfast meeting. According to reliable sources, Mr. Kissinger briefed the leaders on the Cyprus situation and was able to persuade them that a cutoff of military aid to Turkey would seriously impair his negotiating efforts.

As stated by the White House Press Secretary, Ron Nessen, "The Administration view is that passage of restrictive legislation would work against the interest of all parties, especially Greece, because it will inhibit negotiations to settle the Cyprus situation."

The softer language discussed at the breakfast was drafted by the State Department and proposed yesterday by the Senate Appropriations Committee.

According to some of those present, President Ford and Mr. Kissinger tried to persuade Senator Mansfield, Democrat of Montana, to defer a vote on the

foreign-aid bill as recommended by the Senate Foreign Relations Committee until after the November elections. The bill contains a number of restrictions on the President's freedom of action in foreign affairs.

Mr. Mansfield said in an interview that he still intended to call the bill to a vote within the next few weeks.

Administration officials said, however, that they expected a long discussion of the bill and the offering of many amendments. The Administration's strategy is to avoid a new aid bill and to seek instead a prolonged extension of last year's bill if it cannot remove the proposed restrictions.

On Monday the Senate is scheduled to take up a proposed resolution to continue foreign-aid spending based on last year's bill. The softer language on aid cutoff to Turkey is to be voted on Monday, too, in the first test of strength of the Administration's latest position.

A second test of strength is due shortly thereafter when the House votes on how to instruct its members who will meet in conference with Senators to iron out differences between the bills.

One of those present at the breakfast meeting said that a House leader asked Mr. Kissinger about the legality of continued aid to Turkey in view of Turkey's use of force on Cyprus. Mr. Kissinger was said to have responded by citing the "various interpretations" of State Department legal officers on this issue. No further questions were asked on this subject.

Testifying before a Senate subcommittee today, Assistant Secretary of State Arthur A. Hartman said that the department recognized that the law might require a suspension of aid to Turkey.

00662

WASHINGTON POST

Shah Reacts Sharply to Oil-Price Warnings

From News Dispatches

The shah of Iran said yesterday, in the strongest reply yet to President Ford's attacks on skyrocketing oil prices, that no country can dictate Iran's oil policies.



THE SHAH OF IRAN
— a finger

He was ready, the shah said, to take on General Motors and General Electric and "all the other generals they have."

"Nobody can dictate to us," he added. "Nobody can wave a finger at us, because we will wave a finger back."

In Washington, the State Department tried to assure the shah and other oil-producers that the United States has no hostile intentions toward the exporting countries.

"There is no spirit of confrontation at all," press officer Robert Anderson told a news conference.

Strongly worded speeches Monday by President Ford in Detroit and Secretary of State Henry A. Kissinger at the United Nations have been widely interpreted in oil-producing countries as heralding a change in American policy toward a head-on confrontation over oil prices.

In Vienna, the secretariat of the Organization of Petroleum

Exporting Countries said that a ministerial-level meeting of the 13 member countries may be held to discuss Washington's stance. The secretariat added that this would not be the first time ministers had held such an extraordinary ad hoc meeting.

At the annual meeting of the Commonwealth finance ministers in Ottawa, fears were expressed that a "real danger" exists "that certain non-Commonwealth countries might be approaching the problem" of oil prices "in terms of confrontation."

The speaker, Commonwealth Secretary General Arnold Smith, added that there was "no peaceful solution along those lines."

Although Smith declined to say what non-Commonwealth nations he had in mind, his reference was clearly to the Ford and Kissinger speeches warning that continued high prices set by producer countries carried the risk of world depression and threatened to break down world order and safety.

The following other developments related to the oil-price issue were reported yesterday:

- The Venezuelan Mines Ministry said in Caracas that because the price of Venezuela's crude oil is below that of Middle East producers taxes on foreign oil companies may be increased more than the 35 per cent rise decided by the

OPEC to take effect in the last three months of this year.

- In Kuwait, Chinese Deputy Trade Minister Chan Chusan pledged Peking's support for the oil states in their pricing policies. "We look at the price of oil, and we find it justified," Chan said.

- In Bonn, West Germany said it would put forward plans for a world investment bank to recycle the money accumulating in oil-producing states. A Finance Ministry official said the suggestion would be made at the International Monetary Fund meeting in Washington next week.

- A Kuwait daily newspaper urged in an editorial that oil-producing countries cut back production further, "not in or-

der to raise a threat against the industrialized world, but to put an end to waste in world energy consumption."

The newspaper said that the Western world must use self-restraint in consumption of energy "to avoid the collapse of contemporary civilization."

- The secretary general of Pakistan's Economic Affairs Ministry, on a visit to Kuwait, said that his country believes that the oil-exporting states have a right to raise prices, but added that Pakistan is hoping for low-interest loans from Kuwait to cover the cost of its imports. He explained that Pakistan's oil imports this year will cost \$387 million, almost four times the 1971 and 1972 figures.

00663

Afghanistan: Many Projects, Little Action

By Lewis M. Simons

Washington Post Foreign Service

KABUL, Afghanistan, Sept. 26—"Hello may I speak with Mr. J.—please?"

"No, he is not in this ministry now. He is at home."

"Do you mean he's not well and is sick at home?"

"No, he's just at home."

Sure enough, another phone call revealed that Mr. J.—was "just at home," and has been for four months. He is one of dozens of men, most of them highly trained, who are "just at home" in Kabul these days.

The 14-month-old military government of Gen. Mohamed Daud, president, prime minister, foreign minister and defense minister of Afghanistan, has not decided how to use these people. So they are not used at all. They have become a stagnating pool of talent in a poor country gripped by a drought of talent.

In the case of Mr. J.—, he was dropped from his ministerial post several months after Daud and a small band of young army officers overthrew the vacationing King Mohamed Zahir Shah in a swift palace coup in July 1973. Ever since, he has had nothing to do.

There are dozens of similar cases—people dropped from important jobs and replaced by others with little or no experience. Many capable people returned to Afghanistan from foreign jobs, having been called home by the government or their families, and are spinning their wheels.

Partly for want of the right people, no discernable change is taking place in Afghanistan, which is prominent on the United Nations list of the 25 least-developed countries.

"I had great confidence and hope in the new regime," J.— recalled. "Now, I've got real doubts. They don't seem to be doing anything."

During the conversation the former minister glanced furtively over his shoulders and laced and unlaced his fingers. "Please don't use my name," he said, "and don't even say where we are. You just don't know who's an informer these days."

Daud, a cousin and brother-in-law of the king, surrounded himself with a network of spies and informers during his 15-year stint as premier, which ended with the king dismissing him in 1963.

Now that he is back in power, the old fear is back.

00664

WASHINGTON POST

Soviet Missile Destroyer Sinks, Killing About 200

By George C. Wilson
Washington Post Staff Writer

About 200 Soviet sailors and technicians perished when their guided missile destroyer caught fire and sank in the Black Sea about two weeks ago, Western sources said yesterday.

The Kashin-class destroyer was believed to be testing some new weaponry and propulsion when something went drastically wrong, touching off an explosion and a fire that burned for five hours.

Sources said the ship was carrying an unusually large number of men when the disaster struck, leading analysts to conclude that some of the casualties were technicians who went aboard to oversee special tests.

Turkey's semi-official Anatolia news agency said there were no survivors. But that re-

port could not be confirmed here yesterday.

The official U.S. response yesterday to queries about the sea disaster was the Pentagon's "no comment." The Pentagon often takes that posture toward foreign military activities, under the rationale that giving out such details would compromise parts of the U.S. intelligence-gathering network.

The Soviet Union also declined to comment.

But reliable sources said the fire on the Soviet destroyer raged out of control for about five hours. Many of the victims were apparently burned to death.

The loss of 200 men would constitute one of the worst naval disasters in peacetime. The U.S. nuclear-powered submarine Thresher went down off Cape Cod in 1963 with 129 aboard.

Sources denied reports that the Soviet destroyer was a new type. They said some of the weaponry and propulsion were new, but that the ship itself was not. Kashin class construction started about 12 years ago.

Jane's Fighting Ships describes the Kashin class guided-missile destroyers as 475 feet long, 53 feet wide and displacing 5,200 tons when fully loaded. They are propelled by eight sets of gas turbines.

The Soviet destroyer's standard weaponry includes four missile launchers, two anti-submarine rocket launchers and five torpedo tubes.

The Kashin ship which caught fire and sank was part of Russia's Black Sea fleet. The Turkish government is required under the Montreux See DESTROYER, A29, Col. 5

DESTROYER, From A1

Convention to keep track of foreign ships going through its straits.

Turkey's Anatolia agency said yesterday that eyewitnesses reported that "the Kashin-type missile destroyer exploded in flames and sank in the Black Sea."

A United Press International dispatch from Istanbul quoted a Turkish naval official as saying: "We don't have any information on this incident since it did not occur inside our territorial waters."

C0665

WASHINGTON POST

Wilson Beset by EEC Dispute

By Bernard D. Nossiter

Washington Post Foreign Service

LONDON, Sept. 26—Britain's Common Market membership has suddenly become a political headache for the Labor Party, enjoying a comfortable lead in the polls.

Roy Jenkins and Shirley Williams, two of the stars in the Cabinet, have made plain that they would quit if the Labor-proposed referendum on the Common Market took Britain out of the European Economic Community.

The Labor government is deeply divided over the issue. Its left wing regards the EEC as a big-business device to block socialist planning; the right wing sees the links to the Continent restoring Britain's diminished voice in world affairs.

The question had not figured in the campaign until Mrs. Williams, minister for prices and consumers, and Jenkins, the home secretary, spoke out. What pains Prime Minister Harold Wilson is the wide advertisement of his party's division so near the Oct. 10 election date.

Wilson thought he had found an ingenious formula to cover the split. He argues that the British people have never had a chance to express themselves directly on membership. Moreover, he claims that Britain joined in 1972 under conditions that would drive up food prices and impose on it an "unfair" contribution to EEC expenses.

So his government has been bargaining with the other eight members in search of a better deal. The results, Labor pledges, will be put to a binding vote in 12 months.

The conservatives, who completed the negotiations that Wilson himself began to bring Britain into the market, dismiss all this as unconstitutional. Parliament is sovereign, the Tories say, and it put Britain into the market three years ago by a 112-vote majority.

But there is no written constitution here to serve as a final arbiter. That leaves Wilson free to insist on the validity of his referendum scheme.

The prime minister's plan to bury the issue for this election was undone by his own tactics. He has been hammering home the point that Labor is loaded with talent, sharing his daily press conference with fellow Cabinet members.

Yesterday was Mrs. Williams' turn and Wilson confidently expected she would make points, talking about her subsidies to keep down food prices. A reporter, however, asked what she would do if the proposed referendum produced a vote against the market.

Wilson hastily cut in and tried to answer for her with a speech about his united team. But Mrs. Williams, frequently mentioned as Britain's first possible woman prime minister, would have none of it.

"I would not remain in active politics if the referendum went the wrong way from my point of view," she replied.

Jenkins, who once stepped down as labor's deputy leader over party division on the market issue, today followed her lead. "My conviction that it would be a major mistake for Britain to come out of Europe is as strong as Mrs. Williams'," he said. "I could not, of course, stay in a Cabinet which had to carry out a major policy which I regarded as damaging to the world and doubly so to Britain in its likely economic circumstances."

Wilson not only has to worry about the effects of all this on electors generally. He must also pacify the party's hard-line anti-marketters, particularly in the trade unions. Today, he shared his press conference with Peter Shore, minister for trade, and a leading left-winger.

In fact, there is some support for his view. A poll by Opinion Research Center shows an overwhelming 61 per cent think that the cost of living is the biggest problem. The Common Market ranks

seventh on the list with only 10 per cent.

But damage has been done to Wilson's image of a united team and his opponents are eagerly exploiting it.

Conservative leader, Edward Heath, charged:

"The Cabinet is bitterly divided between those who want to stay in the community and those who want to get out. This has been camouflaged by the policy of renegotiation."

For the Liberals Jeremy Thorpe also decided the negotiation-referendum technique. However, he has been careful to say he does not oppose a referendum, despite his staunch pro-market views. The Conservatives strenuously oppose a fresh vote.

This gives Wilson some chance to turn the issue against the Tories, making it revolve around popular consent. Tonight, he challenged the Conservatives to let the voters decide on Britain's membership. "How can Mr. Heath deny the people that right?" he asked.

Wilson's new troubles came just when polls show Labor with 42 to 45 per cent of the vote, leading the Tories by 5 to 14 percentage points. These samplings also indicate that the Liberals are having trouble getting above the 10 per cent they registered in last February's election.

If the polls can be relied on — and they were wrong in the last two elections here — Wilson could look forward to ending Labor's minority rule and commanding a clear majority in the next Parliament.

Not only Afghans but foreigners resident in Kabul are infected by the atmosphere.

During recent interviews with diplomats in a Western embassy, an accompanying information officer opened each meeting by declaring "the correspondent understands that everything you say is for background use only and there will be no attribution."

Beneath all the anxiety is a sense that Daud and his "central committee" of young officers are uncertain of themselves and therefore fearful of moving decisively

In ministry after ministry, the story was the same: "We have 20—or 30 or 50—projects under study." But what have you actually done in the past 14 months? "Well, these studies can't be accomplished overnight."

The most widespread explanation is the one used by Planning Minister Ali Ahmad Khoram: "We are saddled with the enormous burdens we inherited from the old regime."

Khoram spoke in his large, simply furnished office beneath two immense oil portraits of Daud.

About 60 per cent of this year's development budget of \$10 million comes from foreign aid, he said. In the past 20 years, Afghanistan has been highly successful in getting foreign aid. Soviet assistance now totals more than \$1.5 billion. U.S. aid is just over \$425 million.

U.S. aid is limited to agricultural, health and educational projects, all intended to reach the impoverished masses, and no longer is aimed at the industrial projects the Afghans have long found so attractive.

Less than \$1 million in private U.S. capital has been invested here. Recently, Genesco, the largest shoe manufacturer in the United States, invested \$450,000 in a leather processing plant.

But response has been limited even though the government has loosened restrictions on foreign investment. The basic problem is that Afghan counterparts are reluctant to come forward.

Most Afghan commerce is carried out on a barter basis in the bazaars of Kabul and smaller towns across the barren mountain terrain.

The handful of businessmen with substantial holdings either have their money tied up in land or are fearful of spending. The government has heightened this fear by forcing businessmen to pay up to 10 years in back taxes.

These revenues, often extracted by soldiers at gunpoint, are mounting, but the strong-arm tactics have added to the uncertainty.

00666

WASHINGTON POST

Furthermore, the outlook for continuing government assistance has been dimmed by a recent demographic study conducted by the State University of New York. The government has long maintained that Afghanistan's population is about 17 million. A proper census has never been conducted.

The university recently submitted its findings to Daud. He has not released the report, but sources say it reveals that the population is between 9 and 10 million. As aid is normally based in part on population, Daud is understandably concerned.

The government accomplishment has been to keep the lid on basic commodity prices. Afghanistan, having weathered the 1970-2 drought in which thousands starved and food prices soared, now has relatively stable food costs.

The country is fairly certain of being self-sufficient in wheat for the coming year. But foreign specialists express concern that the government appears to be making no effort to store any surplus for lean years.

This dry, landlocked country is dependent on melted snow for crop irrigation. The jagged mountaintops ringing mud-walled villages are crisscrossed with little plots farmed only after the snow melts.

00667

Page 2 of 2

BALTIMORE SUN

CIA held behind Argentine killings

By RICHARD O'MARA

Rio de Janeiro Bureau of The Sun

Rio de Janeiro—The hand of the Central Intelligence Agency has been alleged to be behind Argentina's newest and most frightening terrorist organization, the self-styled Argentine Anti-Communist Alliance.

Rodolfo Puigros, midway in his flight to Mexico this week, a trip precipitated by a death threat from the alliance, blamed the CIA for much of the political violence now harrowing Argentina.

Observers of the Argentine situation here suspect that the recent revelations in Washington about CIA interference in Chile has inspired many of the suspicions now being voiced about the U.S. intelligence agency's connection with right-wing terrorist organizations in Argentina.

Mr. Puigros, a writer and left-wing Peronist, was appointed rector of the University of Buenos Aires in May, 1973, by then-President Hector A. Campora. Mr. Campora is also in exile in Mexico, under a threat from the alliance.

Another designated victim of the newly active right-wing

terrorist organization is Hector Sandler, a congressman in Argentina. Mr. Sandler's name appeared on a list of prominent left-wing political figures sent out by the alliance to newspapers in Buenos Aires.

All the names on the list up to Mr. Sandler's belonged to people already murdered. The alliance claims it has killed nine people since the end of July.

Mr. Sandler has asked the government of President Isabel Peron to interrogate the United States ambassador in Argentina, Robert Hill, on CIA activities. Ambassador Hill has been regarded as a CIA agent by Argentine leftists since his arrival in the country last February.

The most recent names, or intended victims of the alliance, belong to several of Argentina's most popular performers, including folk singers Horacio Guarany and Mercedes Sosa. Miss Sosa's songs are often political and dwell on themes concerning social problems in the rural areas of Argentina.

00668

BALTIMORE SUN

**Soviet
backs oil
squeeze
New policy
encourages
price rises**

Washington Bureau of The Sun

Washington—In an action likely to complicate further the already fragile Soviet-American detente, the Soviet Union has resumed a policy of actively encouraging Middle Eastern states to use oil prices as a political weapon against the West.

American officials said yesterday that Radio Moscow, in its Arab language broadcasts to the Middle East, is now arguing that the oil-producing states have a right to extract high prices from the capitalist West.

Began Wednesday

Moscow's new approach began Wednesday, the officials said, after several months of silence on the subject.

Soviet radio broadcasts to the Middle East had praised the oil embargo that followed the Yom Kippur war, until Moscow put a stop to the practice after strong pressure from Washington.

American officials at the time thought they had persuaded the Russians that such activities would damage Moscow's chances of getting the American co-operation it wants in developing its own vast oil and natural gas reserves.

Analysts puzzled

Analysts are therefore puzzled by the apparent Soviet reversion to the old propaganda line in the Middle East.

They see the timing of the resumption as particularly curious. It comes during a week in which the American administration expressed its concern over the energy crisis in the most dramatic tones and in which Leonid I. Brezhnev, the Soviet Communist party chief, expressed his eagerness for continued warm Soviet-American relations.

And the action is certain to hurt Moscow's image on Capitol Hill, where the supporters of the Jackson amendment finally seemed close this week to agreeing to an end to anti-Soviet trade regulations in exchange for a more liberal Moscow policy toward the emigration of Russian Jews.

The amendment would require a Soviet guarantee of freer emigration rights to its
See OIL, A2, Col. 3

**Soviet backs
price squeeze
by oil nations**

OIL, from A1

citizens before granting the trade concessions. Senator Henry M. Jackson (D., Wash.), its chief sponsor, has argued repeatedly that the administration, in its eagerness for detente, has put too much trust in the Soviet good will.

The assumption here is that the administration will again take some action, perhaps behind the scenes, to try to pressure the Soviet into toning down its broadcasts to the Arabs.

Administration officials anticipate that, if the broadcasts should continue, they will have a harder time than ever persuading Congress to go along with the trade concessions and other moves toward detente.

The Soviet Union is itself an exporter of oil, and has profited from the major oil producers' price rises by raising the prices on the oil it sells to Western countries. It is also expected to renegotiate sharply upward the prices it charges its East European allies when new supply contracts are written within the next few months.